

**Opening Statement of the Honorable Joe Pitts**  
**Subcommittee on Health**  
**Hearing on “Health Care Solutions: Increasing Patient Choice and Plan Innovation”**  
**May 11, 2016**

*(As Prepared for Delivery)*

Today’s hearing will take a closer look at health care solutions centered on promoting patient choice and innovation in the design of health coverage.

Health care is the most personal of any political issue. When Congress gets involved in health policy, we are changing peoples’ lives. Decisions we make in Washington can have a tremendous effect on the well-being of families and their budgets.

A country in which 45 million people went without health insurance was certainly in need of health reform. However, the Affordable Care Act is not the health reform this country needed.

In fact, I believe it is a tremendous setback and makes true reform even harder to accomplish.

The first thing health reform should accomplish is to stabilize or reduce the costs of health care. The number one complaint people have about health care is the rising cost, and yet the ACA has done little to decrease health care spending. In fact, many Americans are paying higher premiums and deductibles for health insurance and care as a result of the law.

We can do better. We must make health care costs more transparent and give people the freedom to choose the insurance that they want – with the benefits they value most at a price that is fair.

More government bureaucracy, regulations, and spending never successfully reduce the price of health care. Yet that is exactly the premise of how health insurance is regulated today – with top down mandates that empower Washington and remove control over health care decisions from states, small businesses, families and individuals. This has to be changed if we truly want bottom up solutions that provide better care at lower costs for patients.

Some of the free enterprise solutions that I believe would truly help control costs and improve health care for all include portability, more pooling options, strengthening consumer-driven arrangements like health savings accounts, and innovation through less federal benefit mandates.

Employer-sponsored insurance is a critical part of our health care system and must be protected. But for many, their health insurance is too closely tied to employment. People who are laid off, fired, or have to quit working can find themselves uninsured at a time when they can least afford it. We need better options so patients can truly own a plan of their choosing on the individual market.

Before the president’s health care law, I introduced the Small Business CHOICE Act, which would allow small businesses to form private health insurance cooperatives to buy insurance at lower rates while transferring catastrophic costs to a larger insurer. The bill helps small employers offer health insurance through a refundable tax credit of 65 percent. Self-employed

people would save \$5,000 a year on health insurance, and other small firms would save more than 34 percent.

Similarly, association health plans (AHPs) could allow Rotary clubs, professional associations and other groups to band together across state lines and form their own health plans, increasing their purchasing power and lowering costs.

Health Savings Accounts (HSAs) should also be strengthened. These accounts allow individuals to save money in an account they control, using the money to pay for everyday medical expenses. Only when major medical expenses are incurred does the insurance company step in, after a high deductible (paid out of the HSA) is met. HSAs encourage individuals to make smart spending decisions and cost them less over time than traditional insurance.

We should never forget that innovation comes almost exclusively from the private sector. New drugs, therapies, and cures will only be developed if the companies that develop them are able to commercialize them. Empowering Washington is not the way we are going to promote innovation and invention.

Our hearing today will examine options to reform insurance markets to better serve patients and examine better paths forward.

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